Secret 12-47—100,000—28-5-48.

(1948) Department.

SERIES.

G.O. No 5586

Dated 10.11.48

[Despatch Abstract.]

IRON AND STEEL - Distribution of - Revised procedure formulated by the Government of India - Papers Recorded.

No.I (1)-1(502)/48
Government of India.
Ministry of Industry and Supply.

New Delhi, the 19th January, 1948.

To
All Provincial Government and
Chief Commissioners.

Subjects:- Steel Control

Sir,

I am directed to say that the Government of India after examining the working of the scheme of distribution of iron and steel introduced in November 1946 (vide-Department of Industries and Supplies letter No.I-ii-1(14)/46, dated the 1st November, 1946) and the Iron and Steel (Control of Production and Distriebution) order, 1941, and the Iron and Steel (Scrap Control) Order, 1943, and the suggestions made from time to time by the Provincial Governments for their modification, have come to the conclusion that while the principles on which the distribution scheme is based are sound, viz., the rationing of the limited supplies available among a large variety of users according to the nature and the importance of the uses, it will be to the advantage of all concerned if the Provincial Government are associated with it in a larger measure than is the case now. They are also of the view that further delegations under the Control Orders are desirable. The proposed modifications in the present procedure and the powers proposed to be delegated are dealt with in the succeeding paragraph

I- DISTRIBUTION OF QUOTAS

(i) Railways:

Present Procedure: This quota covers all the requirements of railways and is operated by the Railway Board; the distribution between the various railways is done by the Railway Board.

Proposed Procedure: The existing procedure should continue.

(ii) Industrial Maintenance and Packing:-

Present Procedure: This quota is intended to provide the established industries, other than those engaged in steel-processing, with their essential maintenance requirements. The distribution is effected, for the most part, through Industrial Associations or Government authorities concerned with those industries; the distribution is done industry-wise and not province-wise. Applications are made to these authorities who, after scrutiny, forward them to the Iron and Steel Controller with their recommendations.

Proposed Procedure: The applicants will be required to forward their ~~a-appn~~ applications through the Provincial Government concerned (a copy being sent direct to the Industrial Association of the Central Government authority concerned with the industry) who will scrutinize them and forward them with their recommendation to the Government of India, so as to reach them on or before the da

dated prescribed for this purpose. If the recommendations of the Provincial Government are not received in time, the applications received direct will be taken into consideration in making the allotment.

(iii) Steel Processing Industries:

Present Procedure: The allotment is designed to meet the maintenace and raw material requirements of organized industries engaged in processing of iron and steel and which are operated by skilled technicians. Application are made to the Director-General of Industry and Supply, who makes recommendations only if the applicant falls in one of the following classes --

(a) The firm must be registered under the Factories Act and must have been in existance before 1-1-1946, and before that date engaged in the processing of steel. (In practice, only those factories which use power are brought under this classification)

(b) New concerns registered under the Factories Act and sponsored by the DGI&S in pursuance of an industrial development programme.

(c) Firms registered under the Facotires Act ~~previ~~ previously engaged in making articles from materials other than steel who, with the approval of the Director General of Industry and Supply have turned over to the manufacture of articles from steel to fulfil some vital need.

Where centralized Trade Associations are in existence, every effort is made to obtain their cooperation and assistance in the distribution of this quota.

Firms not falling under ~~may~~ any of the above categories have to get their requiremtns from the Provincial Government.

Proposed Procedure: As the distribution is done industry-wise, it should continue to remain with the Central Government. Here, too, all applications should be forwarded through the Provincial Government for scrutiny and recommendations, separate copies being sent direct to the D.G.I.&.S. The recommendations of the Provincial Government should be sent so as to reach the Government of India on or before the date prescribed for this purpose If they are not received in time, the applications received direct will be taken into consideration in making the allotment.

Experience has shown that the insistence of the condition that a factory should have been registered before ~~XXXXX~~ 1-1-1946 has resulted in hardship to some factories who, though they were in operation before that date, could not for one reason or another get themselves registered within the specified time. It is, therefore, proposed to bring within the purview of this class factories using power which were in operation before, but were registered under the Factoies Act subsequent to, 1-1-1946 and which, on inspection by an officer of the D.G.I.&S. authorized in this behalf, satisfy all the other condition for allotment from this quota.

If, in regard to a new factory registered under the Factories Act and using power, the Provincial Government considers that there are strong grounds for

Cont.

for recognising it for purposes of allotment of steel from this quota, it may recommend the case for the consideration of the Government of India.

(iv) Government Development Schemes:

Present Procedure: In order to facilitate the determination of priorities, programmes for Government development projects are coordinated by the Central Coordinating authorities, e.g.,electrical installations and hydro-electrict schemes are coordinated by t he Electrical Commissioner, irrigation and waterways, by the Central Waterways; Irrigation and Navigation Commission; and roads and bridges, by the Consulting Engineer (Roads), Ministry of Transport. In view of the very large demand made, and the limited supplies available, preference is given to projects on which field work has already begun and to most urgent schemes of national importance.

Proposed Procedure: Apart from the fact that it is necessary to have a Cental coordinating authority for ensuring a proper planned industrial and economic development of the country, such authority is needed, so long as the present acute shortage of steel continues, to assess the relative importance between the various projects. The present procedure should therefore continue and the Provincial Governments may indicate priorities to their schemes.

(v) Private Industrial Development Schemes:

Present Procedure: This allotment is designed to aid private industries in the establishment of new factories and production units or in the extension of existing ones. Applications are made to the Central sponsoring authorities e.g., for cotton textile mills, the Textile Commissioner is the sponsoring authority, for colleries, the Coal Commissioner; for heavy and light engineering industries, ~~the Director-General of India Industry and Supply~~ non-ferrous metals, electrical and chemical industries, the Director-General of Industry and Supply. Here, again, due to shortage of steel, supply is restricted to extensions under way, except where a new scheme is considered to be of great urgency from an all-India point of view.

Proposed Procedure: The arguments in support of a Central coordinating authority for the scrutiny of Government development schemes apply with equal, if not greater force to schemes falling under this category. It is, however, recognized that in making allotments the recommendations of the Provincial Governments would be of great help. It is accordingly proposed that all applications should in future be forwarded to the sponsoring ~~authori~~ authorities through the Provincial Government concerned, advance copies being sent direct. The recommendations of the Provincial Government should be sent so as to reach the Government of India on or before the date prescribed for this purpose. If they are not received in time, the applications received direct will be taken into consideration in making the allotment.

(vi) Provincial and State Allotment:

Present Procedure: This allotment is intended to meet the requirements of the general public including small-scale manufacturers of consumer goods, and is made mainly on the basis of population, weightage given to urban areas. The distribution is effected by the Provincial/State Governments.

Cont.

Proposed Procedure: The present procedure should ~~condit~~ continue except that the Provincial Government will send to the Government of India, so as to reach them 7 days before the date of the allocation meeting for each quarter, a statement showing the full stock position at the end of the previous quarter, to enable the Government of India to judge the extent to which the Provincial Government has been able to distribute the quota allotted, the reasons for large accumulations, if any, and whether such accumulations should not be taken into consideration in reducing the quota which would otherwise have been allotted.

(vii) Exports:

Present Procedure: This allotment , which has been reduced to the absolute minimum, is intended to meet the most essential requirements of countries adjoining India, e.g.Nepal, Burma and Ceylon; it is operated by the Iron and Steel Controller under orders of the Central Government.

Proposed Procedure: It is not intended to make any chance in the present procedure.

To facilitate the Provincial Governments in scrutinising the applications and making recommendations in respect of (ii) (iii) (iv) and (v) above, a statement showing the quantities recommended by the coordinating/sponsoring authorities for period I/48 under each category and the actual allotments made are attached, It will be seen that , as against a demand of 301,578 tons, only 106,756 tons, which is about 35 per cent, could be ~~aee~~ allotted. In future, the Provincial Governments will be supplied with statements showing final allotments, made for each period.

II- DISTRIBUTION OF PIGIRON & SCRAP.

3. (i) Pig-iron:

Present Procedure: Applications from iron casting foundries are made to the Director-General of Industry and Supply giving full particulars regarding their capacity, requirements and end-use of their products. On receipt of the applications, the Director-General makes local enquiries where necessary, and makes as equitable a distribution as possible, giving weightage to those foundries whose type and quality of castings justify the issue of a larger share.

Proposed Procedure: It is proposed that the applications should be sent to the Director-General through the Provincial Governments.

(ii) Scrap:

Present Procedure: The Iron and Steel Controller (India) makes the distribution to controlled scrap stockists and to large individual stockists and fabricators; distribution of these stocks is not controlled.

Proposed Procedure: The Iron and Steel Controller (India) will continue to make the allocation of defectives and cuttings to stockists but stockists will issue them to consumers only under orders from the Provincial licensing authorities.

Cont.

III - CONTROL ORDERS.

(i) The Iron and Steel (Control of Production and Distribution) Order, 1941:

(a) Movement of Iron and Steel : With a view to exercising an effective check on the use of iron and steel for the purpose for which it is allotted and to prevent its unauthorised export from the Province, it is proposed to delegate the necessary powers to Provincial Governments.

(b) Use of Iron and Steel without a Permit:

Under Clause 8 of the Order, a person acquiring iron and steel in accordance with the provisions of Clause 4 thereof cannot use it otherwise than in accordance with any conditions contained or incorporated in the permit which authorised him to acquire it. Any iron and steel acquired otherwise, i.e., when there was no control, or from Disposals stock, is not affected. In order to prevent the unauthorised use of such iron and steel, it has been suggested by some Provincial Governments that no person should be allowed to use iron for construction of buildings or for fabrication purposes, except on the authority of a permit issued either by the Iron and Steel Controller (India) or the Provincial Iron and Steel Controller, or any officer authorised by him in this behalf. The Government of India have accepted the suggestion and will take steps to issue the necessary orders.

(c) Powers to Confiscate stocks of Iron and Steel: It has been suggested by a Provincial Government that, for prevention of black-marketing, powers to confiscate and direct the sale of unaccounted for or uncontrolled stocks of iron should be delegated to Provincial Governments. The Government of India have also accepted this suggestion and will issue the necessary orders.

(d) Supply of Information by Registered Producers and Controlled Stockholders: In response to the requests made by some Provincial Governments, it has been decided to authorise the officers of the Provincial Governments to exercise the powers under Clause II of the Order, as Agents of the Iron and Steel Controller (India), in respect of registered producers and controlled stockholders. The Provincial Governments have already been delegated similar powers in respect of other producers and registered stockholders.

(ii) The Iron and Steel (Scrap Control) Order, 1943

The same powers as are proposed to be delegated in regard to Iron and Steel (vide (b) and (c) above) will be delegated in regard to scrap".

5. As the Provincial Governments are aware, the present steel position is far from satisfactory; as against a demand of over two million tons per annum, the annual production is less than a million tons. The Government of India are taking active steps to remove the factors which are preventing the steel works from securing production up to their existing capacity, and to instal new capacity to the extent of a million tons; they are also making strenuous efforts to import as much steel as possible. In spite of these measures the present indications are that there will no appreciable imporvement ~~of India are, therefore, of the~~ in the position for about a year or two. The Government of India are, therefore, of the view that all possible steps should be taken to utilize the limited supplies available to the best advantage of the country as a whole, and trust that they can count upon the full support and cooperation the Provincial Governments in discharging this difficult task.

I have, etc.,

(sd. Venkataraman)
Secretary to the Government of India.

Copy forwarded to all Ministries of the Government of India (except the Ministries of Law and States) : all Coordinating/ Sponsoring Authorities, the Iron and Steel Controller, and the D.G., I.&.S.

Copy forwarded to the Ministry of States, with the request that, if they see no objection, the contents of this letter may be communicated to all the States.

(Sd. S.A.Venkataraman)
Secretary to the Government of India.

***

Development (L) Department.

LETTER NO.12071 L/48-12, dated 1-4-1948.

The Secretary to the Government of India,
Ministry of Industry and Supply,
New Delhi.

Sir,

Sub: Iron and Steel - Distribution of - New procedure.

Ref: Your letter No.I(1)-1(502)/48, dated 19th January 1948.

With reference to your letter cited, I am directed to state that the Government of Madras do not agree to the new procedure formulated by the Government of India in respect of applications for steel to be met from the quotas for industrial Maintenance and Packing, Steel Processing Industries and Private Industrial Development Schemes. The present method of allotment of steel direct by the Government of India to the Industries from the above quotas involve considerable delay with the result that the Industries in this Province find it very difficult to thrive. Further the new procedure has merely thrown upon this Government. The additional work of scrutinising and recommending applications without any certainty that this Government's recommendations will be acted upon. The Government of Madras are therefore of the view that the distribution of iron and steel should be decentralised and that a separate quota under each of the above three heads should be given to this Province as in the case of the Provincial and State Allotments. This Government will themselves distribute the quotas allotted. I am accordingly to request that the Government of India may allot separate quotas to this Province under the heads of Industrial Maintenance and Packing, Steel Processing Industries and Private Industrial Development, and if this is not possible, they may reimburse the drawals from the quota under the Provincial and State allotments whenever any part of this quota is allotted for the above industries. In this connection I am to Invite your attention to this Government's letter No.97224 L/47-1 dated 16-10-1947 requesting for a lump allotment of steel for the industries in this Province increspect of which the Government of India's reply is still awaited. Pending a decision on this, this Government are

Cont.

are recommending the applications for steel for period III of 1948.

2. As regards the new procedure in respect of the other heads, this Government have no comments to make.

3. The further communications in respect of the delegations under the Iron and Steel (Control of Production and Distribution) Order, 1941 and the Iron and Steel (Scrap Control) Order, 1943 are awaited.

4. I am to request for a very early reply.

Sd xx xx xx xx xx
17-3-48.

Copy to the Director of Industries and Commerce.

Copy to Chief Engineer, Public Works Department (General)

****

Dy.No:10130/48
Government of India.
Ministry of Industry and Supply.

New Delhi, dated the 24th August, 1948.

***

To

The Secretary to the Government of Madras,
Development Department.,
Fort St. George, Madras.

Sir,

Subject: Iron and Steel-Distribution of New Procedure.

I am directed to refer to the correspondence resting with your letter No: 12071 L/48-28 dated 13-7-48 on the above subject and to say that the matter will be discussed with the representatives of the Provincial Government either when they come to Delhi next or when the Secretary or any other officer of ~~XXXX~~ this Ministry goes to Madras on tour and gets an opportunity to meet the representatives there.

Yours faithfully,

(Sd. C.R.Natesan)
Under Secretary to the Government of India.

***

Development Department.

Endorsement No.12071 L/48-32, dated 3-9-48.

Communicated to Director of Controlled Commodities

2. His attention is invited to letter No.(1)-1(722) dated 30-8-48 from the Government of India communicated with this Government's Endorsement No.94742 L/48-1, dated 2-9-48 and he is requested to discuss with the Government

Cont.

Government of India. The question of making lump allotments of steel for the ~~industries~~ industries in this Province, if he proposes to attend the priority meeting.

Sd xx xx xx xx
3-9-48.

To

The Director of Controlled Commodities.

***

PRIORITY CONFERENCE, NEW DELHI.

I attended the Priority Conference held on the 17th at the Ministry of Industries and Supply, NEW DELHI The Secretary to Government, Ministry of Industries and Supply while addressing the meeting prefaced his remarks with a brief survey of the supply position of Iron and Steel in the Country. Owing to the resumption of work by the Bengal Steel Corporation the Government expected to get something more than what they had during the last quarter, but not to an appreciable extent to enable any increase in the existing quotas of the Provinces. He said that negotiations are afoot with foreign countries (Belgium, United Kingdom, United States of America) for getting more imports and if they materialse the position will be to some extent eased. For the present he said the provinces should have in mind the overall shortage of Iron and Steel in the country and should adjust their claims and requirements accordingly. The claims under the various heads made by the provinces and sponsoring authorities were then taken up for discussion So far as Madras is concerned we had made a demand of 1999 tons under the Government Sundry Schemes. As against the demand 500 tons were allotted and as against ~~1584~~ 1584 tons claimed under Government Sponsored Housing Schemes 400 tons were allotted. I pleaded for an increase under this item especially under the Government Sundry Schemes which includes a demand from the Public Works Department which recently lost a good quantity (7920 tons from Military Surplus at Avadi) as a result of change of policy on the part of Military authorities, but the Secretary to Government was unable to comply with the request as he said he had to consider the needs of several other departments and provinces. The Secretary, however said that he would take into consideration the non-availability of Military Surplus in making further allotments to the Province.

Provincial Quota.

I gathered from the meeting that the quota of Iron and Steel for our province for period I/49 is just the same as we are now getting. The following announcements were made: -

West Bengal	...	3415
Madras.	...	4035
United Provinces	...	5005
*East Punjab	...	1860

Cont.

Bihar	...	2845
Assam	...	800
Orissa	...	880
Central Provinces.	...	1305
Delhi	...	175
Ajmere	...	65
Coorg	...	40
Andamans	...	20
Kutch	...	30

It can be seen from the above that the quota of our province for provincial needs compares well with the quota of other provinces. This Provincial quota of 4035 tons is in addition to the demand under the Government Sundry Schemes and overnment sponsored Housing Schemes.

SEPARATE QUOTA FOR INDUSTRIES.

I discussed this subject with the Joint Secretary Government of India and the Under Secretary. The Government of India feel that it is not possible to make any separate allotment for Industries for the Province. I asked the Under Secretary if any separate allotment is made to other provinces and to give me a list of such allotments as required by our Government I was informed that no separate allotment was being made to other provinces either for Industries. Under the head Private Industrial Development Schemes allotments have been to the sponsoring authorities noted in Column 1, the tonnage noted in Column 3 against demsnds noted in Column. 2

Sponsoring Authorities.	Demand.	Allotment.
Iron and Steel Controller.		
a. Steel Works.	2800	1500
b. Miscellanious	855	300
Electrical Commissioner	1570	850
Coal Commissioner	3500	500
Textile Commissioner	9620	2000
Ministry of Agriculture	3900	500
Refrigeration	1543	500
Director General of Industries and Supply.	29000	8000
STEEL PROCESSING:		
Director General of Industries and Supply.	1.25 lakhs.	48000

The Director General of Industris and Supply and the Iron and Steel Controller, being the sponsoring authorities fo/ Industrial purposes they allot the quotas to the various Industrial schemes in the several provinces. I pointed out that the existing system involves delay in getting allotments and is likely to retard industrial progress as promoters of Industrial concerns will lose their enthusiasm and fall-out from their enterprises. The Government of India are of view that :-

(1) The Central Co-ordinating authority is in a better position to assure the relative importance of various industrial developments and to ensure a proper and planned industrial and economical development of the country.

(2) When production improves and outstandings are wiped out the position will ~~improve~~ improve.

(3) If the provincial Government arrange and recommend the claims according to priority they will be preferred to cases not recommended.

It is therefore not likely that the Government of India will agree to a separate bulk allotment for Industries in the Province.

I am taking up separately with the Director General of Industries and Supply and the Iron and Steel Controller the question of receiving copies of quota certificates or advices of despatches made by them to bulk consumers and Industries in the Province.

Sd xx xx xx
DIRECTOR OF CONTROLLED COMMODITIES.

(True copy)

To A.S.

The Iron and Steel (Control of Production and Distribution) Order, 1941, came into force with eee effect from 1-8-1941. Under this Control Order, all Government Departments or private indentors, had to obtain their requirements of iron and steel from a Producer, controlled Stockist or Registered Stockholder on an authorisation issued by a specified authority. The order was operated on a system based on quota allotments to various Departments for distribution to consumers under them. As regards the requirements of Government Departments before the work was transferred to this Department P.W.D were forwarding the indents to the Iron and Steel Controller, Madras. The general public were obtaining their requirements from the registered stockholders on permits issued by the Regional Deputy Industries and Supplies Controller, Madras.

2. The Government of India abolished the licensing system with effect from 1-4-1946 in respect of all demands from the general public and from Government Departments ~~xx~~ except the Defence Services and Railways. As , however the supply position of iron and steel had subsequently deteriorated, the Government of India restored the ~~control~~ control over the materials with effect from 1-9-1946 and formulated a scheme of distribution of iron and steel. Under this scheme all available steel is divided into the following quotas:-

Cont.

(1) Railway quota;

(2) Iron and Steel Controller's quota.

The Railway quota is operated upon by the Railway Board and the Provincial Government have no control over it. The Iron and Steel Controller's quota has been divided into specific allotments mentioned below:

(a) Industrial Maintenance and Packing:

(b) Steel Processing Industries;

(c) Government Development Schemes;

(d) Industrial Development;

(e) Export; and

(f) Provincial and State Allotments.

Allotments under items (a) to (e) above are operated upon directly by the Iron and Steel Controller on the advice of the Industrial Associations or Government Authorities concerned. The quota under the "Provincial and State Allotments" is intended to meet the requirements of the general Public including persons manufacturing consumer goods etc., on a small scale and the normal maintenance requirements of buildings and roads of P.W.D., Minicipalitie etc., and demands for repairs to Municipal dust bins. The allotments will be distributed to the General public through the ordinary channels of trade, i.e.through the stockholders who have been registered by the Iron and Steel Controller. The distribution will be made on permits issued by a Provincial Authority nominated by the Provincial Governent and appointed by the Government of India. With the concurrance of this Government the Iron and Steel Controller has authorised the ~~Ire~~ Director of Industries and Commerce to issue permits for the distribution of the Provincial quota.

3. The correspondence with C.f.f. may be perused.

The Government of India have now decided to revise the procedure for the distribution of iron and steel from period III of 1948 from the past experience and in view of various suggestions made by the Provincial Governments. The new procedure is described on page 1-5 c.f. and is examined below.

4. I Distribution of Quotas.

(i) Railways.

This quota is now operated upon by the Railway Board and the Provincial Government have no hand in it. No change in the existing procedure has been contemplated. No action is called for.

(ii) Industrial Maintenance and Packing.

Present Procedure: This quota is intended to provide the established industries, other than those engaged in steel processing, with their essential maintenance requirements, and with the steel required for packing their products. It also includes maintenance demands of the Government and Local Bodies arising from projects which are of an industrial nature e.g Electrical installations, Government.,Workshops, Municipal

Cont.

Workshops, Gas Works, Government Tramways, Water Works etc. It does not include demands for extensions of erection of new works. At the request of the Government of India and to enable the Iron and Steel Controller, Calcutta to assess the relation importance of the various projects the Government of Madras have appointed the Chief Engineer (General) Buildings and Defence) now G.E. (General) as the Provincial Co-ordinating authority in respect of the maintenance requirements of Public Works Department and Local Boards. The Provincial Co-ordinating Authority will consolidate the applications scrutinise and arrange them in the order of urgency, the requirements for the works already started being placed first and those for the works not started coming after These applications after fixing priority are sent to the Government for transmission to the Iron and Steel Controller Calcutta who is the Central Co-ordinating Authority, on or before the date prescribed by the Government of India . Applications from the consumers are now sent to the Iron and Steel Controller through the Industrial Associations or such as The Indian Jute Mill Association, Indian Tea Association etc., or Government authorities concerned with those Industries viz. Director General Food Electrical Commissioner Simla, Coal Commissioner Calcutta. The distribution being made by the Iron and Steel Controller through the Industrial Associations or Government authorities concerned are made industry-wise and not Provinc-wise.

Proposed Procedure;: The applicants will forward their applications to the Provincial Government who will scrutinise and forward them with their recommendations on or before the fixed date. Copies of the applications will also be sent difect to the Industrial associations or the Central Government authority concerned with the industry to enable the Government of India to take action in case the Provincial Government's recommendations are not received on the due date.

Extract of Secretary's Remarks at 'C' on page 1 c.

We do not agree. The whole or at any rate part of this quota should be placed at our disposal. Otherwise Government of India should agree to reimburse our drawals for industries on our quota.

In another connection Secretary, (while as J.S. had noted that the Government of India would not recoup the Provincial quota if any part of it was utilised for any other quota. Further the Provincial Quota allotted has always been inadequate for the purposes for which it has been intended particularly in view of ever increasing demand for Grow More Food Campaign and it is not know whether it will be possible to allot anything for the maintenance requirements of industries, Public Works Department and local bodies. It is also not known whether the Government of India will agree to our suggestion as it appears that the new procedure has taken effect in view of the fact that several applications from Industries are being received for transmission to the Government of India with this Government's recommendations with reference to the Press Note issued by India. The Director of Industry and Commerce says that the revised pro-

Cont.

procedure is practically the same as the existing one except that applications are routed through the Provincial Government and that there is no certainty that this Government's recommendations will be acted upon in alloting steel. He therefore suggests that to save delay and time the Heads of Departments, concerned may forward their recommendations direct to the Government of India subject to any special or general orders of this Government on the policy and priorities. He has added that the Director of Industry and Commerce should be the recommending authority in respect of the quota for Industrial Maintenance and Packing as well as those for Steel Processing Industries and Private Industrial Development. The Chief Engineer(G1) 's remarks have not yet been received. The last date for the receipt of applications by the Government of India for demands under the Industrial Maintenance and Packing quota for period III of 1948 is 7-4-48. It is now for consideration and orders:

(a) Whether theGovernment of India will be addressed for a separate allotment to this Province under the Industrial Maintenance and Packing quota to be distributed by the Government and if they will not agree to this whether they may be asked to reimburse the drawals on the Provincial Quota; or

(b) Whether the new prcedure proposed will be agreed to ; and

(c) Whether if (a) is ordered pending a reply from the Government of India on the question of a separate allotment to this Province the new procedure will be agreed-to.

The suggestion of the Director of Industries and Commerce that Heads of Departments should send their recommendations direct to the Government of India may not always be desirable and advisable. Some delay no doubt is likely to occur. It is for orders whether the recommendations may be made by the Government or whether the Director of Industries and Commerce's suggestion will be accepted.

(iii) Steel Processing Industries.

Present Procedure.

This allotment is intended to meet the maintenance and raw material demands of organised industries engaged in processing of iron and steel operated by skilled technicians, such as those manufacturing steel structures and ships, sugar mill machinery, textile machinery, cycles, weighing machines etc. Applications are now sent to the Director General Industry and Supply, who makes recommendations to the Iron and Steel Controller Calcutta if they satisfy the conditions laid down at 'D' on page 2 c.f. The distribution of steel is done industry wise.

Proposed Procedure.

The Government of India have decided to retain the distribution with them but that applications should be forwarded through the Provincial Government who will make recommendations after scrutiny so as to reach the Director General of Iron and Steel on or before the prescribed date. Copies of the applications will also be sent direct to the Director General to take necessary action if the Provincial Government's recommendations are not received in time. The Government of India have also relaxed the

relaxed the conditions to a certain extent in that they have proposed to include applications of those Industries which were using power and in operation before 1-1-46 and which are satisfactory in the opinion of the Officers deputed by the Director General Iron and Steel for the purpose. India will also consider applications from new factories if they are recommended on strong grounds by the Provincial Government.

Extract of Secretary's (while as J.S.) remarks at 'E' on page 2 c.f.

Here again we could have a quota to be placed disposal and we will operate on it.

K.G.M.

The remarks of the Director of Industries and Commerce are ~~on~~ the same as in the case of Industrial maintenance and Packing. The reasoning advanced in the case of Industrial Maintenance and Packing quota holds good in this case also. It is therefore for consideration and orders:

(a) whether the Government of India will be addressed to allot a separate quota for the steel processing industries in this Province to be distributed by this Government; or

(b) whether the new procedure will be agreed to; and

(c) whether if(a) is ordered pending a reply of the Government of India on the question of a separate allotment the new procedure will be agreed to.

It is also for orders:

(a) Whether the recommendations may be made by the Government; or

(b) Whether the Director of Industries and Commerce's suggestion that Heads of Department may send their ~~or~~ recommendations direct to the Government of India will be accepted:

(iv) Government Development Schemes.
Present Procedure.

This quota is intended to meet the demands of Government Development projects. In order to facilitate the determination of priorities the Government of India have appointed Central Co-ordinating Authorities for co-ordinating applications for Government Development, projects and fixing priority in each case. The Co-ordinating authorities are mentioned below:

Projects.	Co-ordinating Authority.
(a) Electrical Installations and hydro-electric schemes.	Electrical Commissioner, Simla.
(b) Irrigation and water ways.	Central Water Ways Irrigation and Navigation Commission, New Delhi.
(c) Roads and road bridges.	Consulting Engineer (roads) Transport Department, New Delhi.

Cont.

(d) Ports and Port Trusts.	Joint Secretary, Transport Department, New Delhi.
(e) Industries owned and financed by the Central or Provincial Governments.	The Sponsoring Authority appointed in the case of Industrial Development quota which are mentioned at 'C' on page 17 c.f.
(f) Projects which do not come under (a) to (e) above i.e. sundry projects.	Iron and Steel Controller, Calcutta.

At the request of the Government of India, this Government have appointed the Director of Industries and Commerce as the Provincial Co-ordinating Authority for Sundry projects of Government Development Schemes such as consturctions of buildings etc. Applications for (a) to (e) above received from the Heads of Departments are sent to the Central Co-ordinating Authorities by the Government with their recommendations arranged in the order of priority. Applications for (f) above are sent to the Director of Industries and Commerce who fixes their priority and sends them direct to the Iron and Steel Controller Calcutta. The Iron and Steel Controller, issues quota certificates to the applicants concerned.

No change in the existing procedure has been contemplated. The Director of Industries and Commerce suggests that the Government should themselves make recommendations. This is already being done now. The Chief Engineer(General)'s remarks have yet been received. The last date for the receipt of applications for period III of 1948 by the Co-ordinating Authorities has been fixed as 25-3-48. Copies of the letters of the Government of India on page 1-5 c.f. and 17-21 f. have already been communicated to all Heads of Departments for immediate necessary action No further action is necessary at present in respect of Government Development schemes.

(v) Private Industrial Development Schemes.

Present Procedure.

This quota is intended to aid private industries in the establishment of new industries and productionunits or in the extension of the existing ones. The Government of India have appointed sponsoring Authorities for various Industries for receiving and Co-ordinating the applications and fixing their priority before transmission to the Iron and Steel Controller Calcutta. They are mentioned below:-

Industry.	Sponsoring Authority
(a) Electrical Installations	Electrical Commissioner, Simla.
(b) Colleries	Coal Commissioner, Calcutta.
(c) Textiles and Hosury	Textile Commissioner, Bombay.
(d) Sugar Mills.	Ministry of Food, New Delhi.
(e) Refrigation Industry.	Ministry of Agriculture.
(f) Industries mentioned in Annexure I	

Cont.

(f) Industries mentioned in Annexure I on page 19 c.f.	Directorate-General, Industry and Supply.
(g) Iron and Steel works.	Iron and Steel Controller.
(h) Industries not included above.	-do-

Proposed procedure.

The Government of India have proposed to retain the Sponsoring Authorities but that applications should be sent to them through the Provincial Government who will scrutinise and forward them to the Sponsoring Authorities with their recommendations on or before the prescribed dated Copies of the applications will also be sent direct to the Sponsoring Authorities to enable them to take action in case the recommedations of the Provincial Government are not received in time. The remarks of the Director of Industries and Commerce are the same as those for Industrial Maintenance and Packing

Extract of Secretary's (while as J.S) remarks at 'H' on page 3

Here again we must emphatically disagree. We put up a case to Hon'bel Minister (Industries and Commerce) which can be repeated and plea pressed. We can point out the delays and complaints we notice.

K.G.M.

With reference to Secretary's remarks above attention is invited to the correspondence the C.F. of L.F.--C.No.97224. L/47-It will be seen that India have already been addressed to make a lump allotment to this Government for distribution to the Private industries of this Province. Their reply is awaited. It is presumed that the Secretary refers to this case.

The last date for the receipt by the sponsoring Authorities of applications from private industries for period III of 1948 is fixed as 12-3-48, and applications are being received and referred to the Director of Industries and Commerce for remarks, separately in each case. It is not clear from their letter at 'G' on page 3 c.f. whether the Government of India have contemplated to make a lump allotment for the industries and whether they will agree to a change in the new procedure at this stage. However it is for consideration and orders;

(a) whether the Government of India will be pressed for making a lump allotment to this Government for distribution to the Industries in this Province, or

(b) whether the new procedure will be agreed to ;

It is also for orders whether pending a final reply from the Government of India on the question of a lump allotment the new procedure will be agreed to.

(vi) Provincial and State Allotment.

The purposes for which this allotment is intended and the procedure of distribution have already been noted in para 2 on page 2-3 above. Please see also in this connection 'M' on pages 2-3-of (D).

No change is contemplated in the existing procedure except that this Government will send to the Government of India to reach them 7 days before the date of Allocation Meeting a statement of stock position at the end

Cont.

end of the previous quarter to judge the extent to which the Provincial Quota has been distributed and to reduce the allotment if there are large accumulations. India have also reminded for the statement which has to be sent before 1-4-48 as the Allocation Meeting is fixed for 7-4-48. The Director of Industries and Commerce has not forwarded the statement yet. He may be asked to submit it immediately. A draft memo is submitted.

The Director has however urged that for the reasons mentioned in para 3 on page 23-23 c.f., he may be relieved immediatley of the administration of the steel control. This is examined separately in para 7 below. For the present, no change in the Provincial authority seems necessary. No action is also called for on the procedure.

(vii) Exports.

This allotment is intended to meet the most essential requirements of countries adjoining India e.g.Nepal Burma and Ceylon. It is operated upon by the Iron and Steel Controller, under the orders of the Central Government. No change in the existing procedure has been contemplated and no action is called for.

The Government of India have proposed to furnish the Provincial Government with estatements showing final allotments made for each period. They may be awaited.

II DISTRIBUTION OF PIG IRON AND SCRAP.

(i) Pig Iron:

Present Procedure. Applications from iron castings foundries are now made to the Director General Iron and Steel who after local enquiries distributes the material.

Proposed procedure. All applications for pig iron should be sent to the Director General Iron Steel through the Provincial Government. The Director of Industries and Commerce has no special remarks to offer.

For orders whether the new procedure will be agreed to

(ii) Scrap.

Present procedure. The Iron and Steel Controller makes the distribution to controlled scrap stockists and to large individual stockists and fabricators. The distribution of scrap is not controlled.

Proposed procedure.

The Iron and Steel Controller will continue to make the allocation of defectives and cuttings to stockist but stockists will issue them to the consumers only under the orders of the Provincial Licensing Authorities.

Attention is invited to this Government letter the Government of India on page 3-4 the Government of India's letter on page 5-6 and the telegram on page 11 c.f. of G.O.Ms No.1.Development dated 3-1-48. It will be seen that this Government have agreed to the proposals of the Government of India for imposing control over iron and steel scrap and have suggested entrusting the distribution to the Director of Industries and Commerce. India have now introduced control over defectives and scrap also. The Director of Industries and Commerce has urged that for the reasons men-

mentioned in para 3 on page 21-~~22~~-23 c.f. he may be relieve immediately of the administration of Steel Control . This is examined separately below for the present . It is for order whether the Director of Industries and Commerce may be asked to issue permites to the consumers for iron and steel scrap as in the ~~a~~ase of standard steel.

~~XXXXXX~~ Director of Industries and Commerce may issue permits until further orders.

Sd xx xx xx

IIICONTROL ORDERS.

(i) Iron and Steel (Control of Production and Distribution) order, 1941 -

(a) Movement of Iron and Steel. The Government of India has proposed to delegate to the Provincial Government necessary powers to exercise an effective check on the use of iron and steel for the purpose for which it is allotted and to prevent their ~~for the~~ unathorised export from the Province. India have not given the nature scope extent etc. of the proposed delegation of powers. The Director of Industries and Commerce has no remarks to offer further communication from the Government of India may awaited.

(b) Use of iron and Steel without permits. At present a person acquiring iron and steel under the Provision of Clause 4 of the Iron and Steel (Control of Production and Distribution) Order, 1941 cannot use it otherwise than in accordance with the conditions specified, on the permit issued to him. Any iron and steel acquired otherwise i.e. when there was no control or from Disposals stock is not affected. In order to prevent the Unauthorised use of such iron and steel the Government of India propose to issue necessary orders to the effect that no persons should be allowed to use iron for the construction of buildings or for fabrication purposes except on the authority of a permit issued by the Iron and Steel Controller and Provincial. Iron and Steel Controller or any officer authorised by them in this behalf. The Director has no remarks. The proposed orders may be awaited.

(c) Powers to confiscate stocks of iron and steel.

A reference is invited to the correspondence and notes in D.O.No18179 L/47-11, dated 22-9-1947. It will be seen that the Government had already addressed the Government of India to enable them to issue an order called "The Madras Iron and Steel Control (Licensing and Distribution) Order, 1947". According to this Order all persons who wish to trade in iron and steel would be required to take out a licence from the Provincial Steel Controller and to declare him stocks. The Order also provided for the seizure of unauthorised and uncoltrolled stocks and dispose them of as the Provincial Controller might determine. As the Government of India raised several difficulties in the issue of that Order, the question of the issue of the order was deferred. The Government of India now propose to delegate powers to the Provincial Governments to confizcate and direct the sale of unaccounted stocks of iron and steel. The Director has no remarks. These delegations may be awaited.

Cont.

(d) Supply of information by Registered Producers and Controlled Stockholders.

The Government of India have at present authorised the Director of Industries and Commerce (Provincial Steel Controller) to exercise the powers of a Controller under sub Clause (2) of Clause 11 of the Iron and Steel Control Order in respect of producers other than registered producers and stockholders other than controlled stockholders. The scope of the delegation is that the Provincial Controller can direct the producers and stockholders specified above to produce accounts other documents estimates, returns etc., in brief, to furnish any information required by the Controller and to permit him or any person authorised by him to enter and inspect the business premises. India were addressed to delegate similar powers to the Director of Industries and Commerce in respect of the registered Producers and controller stockholders also. But they declined to grant the request for the reasons mentioned in para 2 on page 41 c.f. of Endorsement No.72935L/46-16, dated 10-11-47 . They also refused to delegate to the Anti-Corruption and the Blackmarketting staff the powers delegated to the Director of Industries and Commerce for the reasons mentioned in paras 2 and 3 on page 41-43 c.f. of 'H', India have now proposed to delegate to the Provincial Steel Controller the powers of a Controller under clause 11 of the Iron and steel control order in respect of registered producers and Controlled stockholders also. The Director has no remarks. The further communication in this regard may be awaited.

(ii) Iron and Steel (Scrap Control) Order 1943.

The Government addressed the Government of India to delegate to the Director of Industries and Commerce and Anti-Corruption and Blackmarketting Staff the powers of a Controller under Clause 6 (b),(c) and (d) of the Iron and Steel (Scrap Control) Order, 1943. India while delegating to the Director of Industries and Commerce the powers under Cluase 11 (2) of the Iron and Steel Control Order, 1941 in respect of producers other than registered producers and Stockholders other than Controlled Stockholders stated that the Provincial Authority was automatically empowered to exercise the powers under clause (6)(b),(c) and (d) of the Scrap Control Order, 1943. They did not agree to delegate the powers to the Anti-Corruption and Blackmarketing Staff India have now proposed to delegate the same powers as have been proposed in respect of iron and steel with reference to (b) and (c) above. The Director has no remarks. The further communication in this regard may be awaited.

5. Para 4 of the Government of India's letter on page 18 c.f.

India have requested this Government to issue a press note and inform the industries on the new procedure, if it has not already been done. A press note can be issued only after this Government pass final orders on the the New procedure. It appears that the Government of India have issued press notes. For orders whether the question of the issue of a press note may await final orders of the Government on the new procedure.

6. Para 5 of the Director of Industries and Commerce's letter on page 23 c.f.

Cont.

The Director of Industries and Commerce wants to address the Director General (Iron and Steel) for a list of firms and the quantity of iron and steel allotted to them during the past 3 or 4 quarters to enable him and his subordinates to inspect them and make recommendations fo allotments from the quarters for Industrial Maintenance and Packing. Private Industrial Development Schemes and for pig iron. A draft telegram is submitted for approval.

7. Para 3 of the Director of Industries and Commerce's letter on page 21-23 c.f.

The Directors of Industries and Commerce says that though it is his legitimate duty to make recommendations for allotment of steel from the quotas for Industrial Maintenance and Packing, Steel Processing Industries and Private Industrial Schemes and also in respect of pig iron, it is quite impossible for him and his staff to make actual allocations from the Provincial quota and issue permits and deal with the allocations of scrap if they are to discharge their legitimate duties relating to the Development of Industry and Commerce efficiently and satisfactorily. He therefore urges that all the work relating to controls over steel paper and coal may be taken away from him with immediate effect and entrusted to a separate organisation and that this organisation may also be entrusted with the control over scrap and cement. He has also stated that this organisation can arrange to have the applications routed through the district organisations of the Industries Department in respect of fabricators' applications and pass orders consulting the Director of Industries and Commerce only when absolutely necessary. He has cited the instances of issue of steel on the recommendations of the Agricultural Demonstrators and Revenue authorities for Agricultural and non-Agricultural purposes respectively. He has suggested that the C.C.S assisted by a Junior Engineer or the present Textile Control staff assisted by a Junior Engineer will be appropriate authorities of the separate organisation.

8. A reference is invited to the letter from Sri R.Suryanarayana Rao on page 1 and the notes and orders thereon on page 2-5 of Lodged No.2119 L/48 dated 5-2-48. Sri Rao Suggested the appointment of a Cement and Steel Controller relieving the Director of Industries and Commerce of the work relating to steel Control in order to co-ordinate the work of cement and steel controller in the interest of the public. In that connection Secretary((while as J.S.) Suggested the appointment of a Director of Control entrusting him with the work relating to all controls Hon'ble Minister (Industries) accepted this Suggestion and Hon'ble Minister (Public Works) had no objection to transfer cement control also to him . But the question is now being held up as the scheme of distribution of cement as an all-India basis has not yet been announced by the Government of India. Till this is announced it does not appear that any progress can be made on the appointment of a Director of Controls as Cement being an adjunct to steel most important of buildings has also to be added to his work. It is therfore for orders.

(a) whether the Director of Industries and Commerce's suggestion to create a separate organisation for administering all controls may await the announcement of the Government of India of their Scheme of Cement Distribution, or

There appears to be no need to wait for the orders of the Government of India regarding cement . Even without cement there will be enough work for a separate organisation. This question may however be taken up separately . Meanwhile the Director of Industries and Commerce may continue.

Sd xx xx xx
C.P.

(b) whether the question of appointing a director of Controls for adminsering controls over iron and steel, scrap, paper and coal may now be taken up and pursued, Cement being added to later on; and

(c) whether pending a decision on the appointment of a Director of Controls, the Director of Industries and Commerce, may continue to administer the controls over iron and steel, , scrap, paper and coal.

Whether (a) or (b) is ordered relevant extracts may be taken for separate action.

9. Staff: For the administration of Iron and Steel Control including checking blackmarketing and for coordinating applications for steel for sundry projects of Government Development Schemes, the Government sanctioned the following staff for a period of one year in the first instance

1. Steel Officer (Gazetted) on Rs.300-50/2 -700 p.m with a conveyance allowance of Rs.50/- per mensem.

1. Steel Assistant on Rs. 200-10-300 p.m with a conveyance allowance of Rs.25/- p.m.

2. Senior Superintendents each on Rs. 190-240 p.m

2. Junior Superintendents each on Rs. 140- 190 p.m.

12. Upper Division Clerks each on Rs.80-125 p.m.

20 Lower Division Clerks each on Rs.45-90 p.m.

2 Typies each on Rs.45-90 p.m. with a shorthand allowance of Rs.35 p.m. to one typist possessing the requisite qualifications.

1 Attender on Rs. 24-30 p.m.

9 Peons each on Rs. 16-25 p.m.

The Director of Industries and Commerce has not mentioned anything about the additional staff required for administering the control over scrap as he does not want to have any work relating to controls. Some additional staff is necessary for the administration of scrap control and for carrying out the new procedure drawn up by the Government of India whether the Controls are retained with the Director of Industries and Commerce, or till atleast a separate organisation is created if this is considered necessary. This question of sanctioning additional staff may perhaps be left to the Director of Industries and Commerce and dealt with separately if his proposals are received.

Finance may perhaps see.

10. After issue of the memo to the Director of Industries and Commerce and telegram to -Director General (Iron and Steel) the case may be sent to Public Works Department and Finance before circulation.

/A draft memo reminder to the Chief Engineer (General) is submitted/

1. There should be no delay in sending applications to the authorities now prescribed as Government of India will mercilessly turn down request for steel if they are not recived in time.

2. I presume the Registrar of Co-operative Societies has applied for steel for housing. If not ask for 4000 tons at once.

3. The next procedure is only the old procedure in the different guise. It vests all powers in the Government of India and we remain neglected. We should fight against it and insist on decentralisation.

4. The question of entirely all controls to a seperate officer must be pursued . The Director of Industries and Commerce's legitimate work is suffering.

Sd. xx xx xx xx
8-3-48.

Issued as Memo No.12071 L/48-6 dated 5th March 1948
" " " -7 dated 6th March 1948
" Telegram No.12071 L/48-8 dated 6th March 1947
From the Government of India , Directorate General of Industries and Supplies, Development Division (Mechanical) No.DN(S)/50(47)/1401, dated 3rd March 1948.
Issued as Endorsement No.12071 L/48-9 dated 8th March 1948.
From the Chief Engineer, P.W.D.(General) No.830-Ad2/48-1 dated 2nd March 1948.

To A.S.

Notes from page 2 above, orders thereon and page 29-46 c.f. may perused.

2. Orders at 'A' on page 5 'D' on page 6 'G' on page 9 and 'M' on page 16 above.

A draft letter to the Government of India is submitted for approval.

3. Orders at 'B' on page 5 'F' on page 9 and 'K' on page 16 above.

As ordered the applications for steel received by the Government are recommended to the Government of India separately.

4. Orders at 'C' on page 5 and 'E' on page 7 above.

The Director of Industries and Commerce may be told that the Government have no objection to the Heads of Departments concerned recommending the applications direct to the Government of India.

5. Orders at 'P' on page 10 and 'H' and page 11 above

The Director of Industries and Commerce may be asked to continue as the Provincial Iron and Steel Controller and issue permits both for standard steel and for defectives and scrap until further orders.

Cont.

6. 'K' on the Cheif Engineer's letter on page 45-46 /c.f.

The Chief Engineer requests that, for the reasons mentioned at 'K' on page 45 c.f., ~~as~~ a separate quota under 'sundry projects' of Government Development Schemes may be allotted for Educational Public Health, Medical Building Schemes and water supply and drainage schemes and that he be permitted to forward the indent direct to the I & S. C., Calcutta. At present the Director of Industries and Commerce is the Provincial Coordinating authority for Sundry Projects of Government Development Schemes. Before addressing the Government of India, the Director of Industries and Commerce may be consulted.

7. With reference to 'A', B and C above a draft memo to the Director of Industries and Commerce is submitted for approval.

8. Orders at 'K' on page 15 and 'N' page 16 above.

Relevant extracts have been taken and dealt with in the L.F. - C.No.29856 L/48.

9. 'L' on page 16 above. The Registrar of Co-operative Society has already forwarded an indent for steel for cooperative housing schemes to the Iron andSteel Controller Calcutta through the Director of Industries and Commerce with copies to Government. This subject is dealt with in BII section.

10. With reference to the memo to the Director of Industries and Commerce on page 27 c.f. a draft memo reminder is submitted.

11. The Director-General of Industries and Supplies forwarded a list of factories and the steel and pig iron allotted to them from the quota for steel processing Industries for Period II of 1948. He has not furnished the information in respect of Industries supplied from the quota for Industrial Maintenance and Packing and private Industrial Development Schemes. Further he has not furnished the information as desired in the telegram on page 27 c.f. A reminder telegram is submitted for approval.

12. After issue of drafts II and IV Public Works Department and Finance may perhaps see before circulation.

Sd xx xx xx xx xx
17-3-48.

Public Works Department (B)

To A.S.

The notes from page 2 ante may be perused.

The remarks of this department on the proposal to have one officer for all controls including Cement will be found in L.F.II.

The file may be passed on to Finance Department.

Sd xx xx xx xx xx
19-3-48.

To A.S.

REference is invited to the new procedure laid by the Government of India for the distribution of Iron & Steel on pages 1-5 c.f., notes thereon on pages 2-18 abo, the letter to the Government of India on page 51-52 c.f. the reply from the Government of India and endorsement to the Director of Industries and Commerce on page 131 c.f. and the report of the Director of Controlled Commodities on page 133-136 c.f. on the proceedings of the Priority Conference held at new Delhi on 17-9-48.

2. In the letter to the Government of India on page 51-52 c.f. this Government requested them to make l allotments of steel to this Province for industrial maint nance and packing steel Processing Industries, Private I dustrial Development etc. to be distributed by this Government for the reason that there has been considerabl delay in the allotment of steel by the Government of Indi with the result that the industries in this Province find it very difficult to thrive. India were also requested t if they do not agree make lump allotments to this Provinc they might reimburse the drawals from the Provincial quot whenever any part of it was allotted to the above industri In their letter dated 20-4-48 in another connexion they referred this Government to the new procedure and the views held by the them about the desirability of retaining central co-ordinating authorities for scrutinising allotment of steel to industries. In their letter dated 24-8-4 they however stated that the matter would be discussed with the representatives of this Government when they happened to go to Delhi or when any of the Government of India officers happended to go to Madras on tour. The Director of Controlled Commodities who attended the Priority Meeting held at New Delhi on 17-9-1948 was asked to discuss the question of making lump allotments of iron and steel to this Province with the Government of India. His report of discussion will be found in paras 4-6 on pages 134-135 c.f. It will be seen that the Government of India do not seem to be inclined to make a separate lump allotment for industries to this Province, for the following reasons:

(1) The Central Co-ordinating authority is in a better position to assure the relative importance of various industrial developments and to ensure a proper and planned industrial and Economic Development of the country.

(2) When production improves and outstandings are wiped out, position will improve. The Director of Controlled Commodities has also stated that such lump allotments are not made to other Provinces. In view of the Director's report, no action seems possible to obta lump allotments of steel for industries in this Province. For orders whe-ther the matter need be pursued.

There does not appear to be much use in perusing the matter.

Sd.....

(3) Pending a decision by this Government on the new procedure formulated by the Government of India, the Director of Industries and Commerce and sometimes the Government have been recommending applications for steel for industries. In view of the report of the Director of Controlled Commodities and as there seem to be no chance of getting lump allotments the present procedure of the Director of Industries and Commerce and the Government recommending applications to the Government of India may continue. For orders.

(4) Attention is invited to the letter from the Gover ment of India on page 69-70 c.f. and enclosures

enclosures thereto on page 71-75 c.f. and notes and orders thereon on page 21 above. It was noted at 'K' on page 21 above that it was not desirable to pass on this Government's recommendations to sub-quota holders concerned and that any protest in that regard might await the decision of the Government of India on the question of making lump allotments Since there seems to be no chance of the Government of India making any lump allotments and they are also not likely to change the revised procedure formulated by them, there seems to be no use in protesting to the Government of India on the question of forwarding this Government's recommendations to the Sub-Quota holders. For orders whether the present procedure of forwarding the recommendations of this Government direct to the Government of India may be continued , leaving them to obtain the reports from the sub-quota holders in the matter. The Director of Industries and Commerce however recommends only to the sub-quota holders

The existing practice may be continued.
Sd xx xx xx x

(5) In para 4 of their letter on page 18 c.f., India have requested this Government to give publicity to the revised procedure and send a copy of the Press Note direct to the Central Government authorities concerned. This question was deferred pending a decision on making lump allotments referred to above. Since no lump allotments are likely to be made by the Government of India and the Government of India are frequently issuing Press Notes on the revised procedure and the last dates prescribed by them for the receipt of applications, there seems to be no need to issue a Press Note, especially at this ver late stage. For orders.

(6) No other action seems provoking in this file. For orders whether the papers may be recorded.

Sd xx xx xx xx xx
7-11-48.

Recorded

Sd. xx xx xx xx
10-11-48.

G.O.Ms.5586, dated 10-11-48.

IRON AND STEEL - Distribution of Revised procedure formulated by the Government of India - Papers Recorded.

/True copy/

NG.13.

Office Assistant,
Madras Record Office.

25/1/52.